I pointed out an interesting fact from what has been suggested by the Tax Foundation, and that relates to the fact that there is unlikely to be a positive return on the money that is paid into Social Security by the employee and the employer. They estimate that anybody that retires after the year 2000 will have a return of between a negative one-half percent and a negative 1½ percent. Another way of saying the serious dilemma of Social Security is that if a worker retires after the year of 2015, then they are going to have to live 26 years after they retire in order to break even and just get back the money they and their employer put in.

Part of the problem is that when we started Social Security as a pay-as-you-go program where existing workers pay in their tax to pay for the benefits of existing retirees, the average age of death in this country in 1935 was 61 years old. That meant most people never lived long enough to collect anything from Social Security, but simply paid in their money.

Now the average age of death is 74 years old for a male and 76 years old for a female. But if Americans are, I will say, lucky enough to live to retirement age, age 65, then on the average they are going to live another 20 years. At the same time, we have more people living longer, we are seeing a larger population that are retired because of the decline in the birth rate after the baby boomers of World War II, and we have a smaller and smaller number of people working.

In 1942 we had 40 people working, paying in Social Security tax for each retiree. By 1950 it got down to 17 people. Today guess what it is. Today, Mr. Speaker, it is three people working, paying in their tax for each retiree, and what has happened is that we keep increasing the Social Security tax on that fewer number of workers.

Since 1971 we have increased the Social Security tax 36 times. More often than once a year, we have increased the rate or the base.

Mr. Speaker, in concluding, I suggest that we face up to the very serious problem that is facing us, both in Social Security, in Medicare, and that we not continue to put off the solutions but start talking about the best possible ways to do it, and we do it as quickly as possible.

URGING THE FEDERAL RESERVE TO LOWER INTEREST RATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HINCHEY) is recognized for 5 minutes.

Mr. HINCHEY. Mr. Speaker, on Tuesday of next week, March 31, the Federal Open Market Committee of the Federal Reserve Board will meet. This is a critically important meeting, for out of this meeting the FOMC will recommend short-term interest rates for the foreseeable future.

There are urgings coming to the Federal Reserve now from monetarists that watch the Federal Reserve Board, and those urgings are that the Federal Reserve should increase interest rates. If they do so, that would be a very serious mistake. It would be a serious mistake if these times were ordinary or normal. But, in fact, they are not ordinary nor normal, for we are beginning to experience the profound negative economic consequences of the financial crisis that is sweeping across east Asia. I say we are ‘‘beginning’’ to feel those effects, and we will continue to feel them and the full brunt of those effects will not express themselves on our economy until some time later this year, perhaps within the next 6 months to a year.

The effect of the downturn result from this financial crisis in east Asia is going to be to suppress prices, and it is estimated that it will cost us substantially in terms of our own economic growth.

Our economic growth rate now, which is in excess of 3 percent, could fall by more than 2 percentage points. In other words, we could be experiencing economic growth of only 1 percent or, at worst, our economic growth could fall into the negative range.

We can begin now to buttress our economy from the negative effects of the financial crisis sweeping across east Asia if we act now. One of the ways, one of the most important ways that we can act is for the Federal Reserve now to lower interest rates. Interest rates at this particular moment are high by historical standards, high in real terms; in other words, high in terms of inflation. The inflationary rate currently in our economy is essentially zero. We are experiencing virtually no inflation whatsoever. Nevertheless, real interest rates are abnormally high in that particular context.

Mr. Speaker, people will remember that in 1994 and 1995, the Federal Reserve raised interest rates six times during that period. Back then, that was a mistake and it cost us in terms of our economic growth. We would have recovered from the recession more fully and more quickly if the Federal Reserve had not raised those interest rates. But they did so. And those raised interest rates now stand.

Mr. Speaker, we have interest rates today that are higher than they ought to be, and the Federal Reserve should lower them. They should lower them in any case, but particularly they should lower them in light of the fact that we are going to feel these profound consequences from the economic crisis sweeping across east Asia.

What are those profound consequences? They will be, as I have indicated, a substantial loss in the rate of our economic growth. They will have the effect of depressing prices for goods manufactured in the United States. They will increase our trade deficit.

Mr. Speaker, the trade deficit in goods alone is already increasing markedly, one might say dramatically. The trade deficit, for example in January in goods alone, was $18.8 billion. That is a record for a single month. We have never had a trade deficit for goods alone as high as $18.8 billion ever before. That is up by more than a billion dollars from $17.7 billion in December of last year. So we see already that the trade deficit in goods is going up and going up substantially.

As that trade deficit goes up, as the full effect of the overproduction in East Asia comes into our market, the price of our goods is going to drop. That is going to cost us jobs. It is estimated that the cost in jobs could be as much as 1 million. We could lose as many as 1 million jobs in our economy as a result of the financial crisis in east Asia if we fail to act.

One of the most important ways available to us to act to head off this substantial loss in economic growth, the substantial increase in the trade deficit, and the substantial loss in jobs is through our monetary policy. The Federal Open Market Committee has the ability to control monetary policy, and they can lower interest rates next Tuesday when they meet.

I am now circulating a letter to the Members of the House asking them to join me in this letter to the Chairman of the Federal Reserve Board, Alan Greenspan, asking him to exert his influence in the Federal Reserve and in the Federal Reserve Open Market Committee to lower interest rates. It is critical that we do so in order to head off the dire consequences of this economic crisis.

□ 1830

H–1B PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. KLINK) is recognized for 5 minutes.

Mr. KLINK. Mr. Speaker, several years ago when we were debating on the floor of this House the North American Free Trade Agreement, we were being told by those who were proponents of that agreement that we would lose some low-skill, low-income jobs in this country, but that as we move from an industrial society more toward an information technology society, those people who lost those jobs would receive training, would receive opportunities in jobs that would pay more money in those information technologies.

Well, lo and behold, we have moved to information technologies and now the Information Technology Association of America said we are growing so fast we cannot fill these jobs. And so, under a very little-known program, little known by most legislators and few Americans, it is called the H–1B Program, they now want to import foreign workers into our country to take those jobs.

I simply ask, Mr. Speaker, what kind of jobs are we supposed to give those displaced Americans who have lost their jobs? What jobs are we supposed to give to those kids who are coming